

NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OR ALL OF THE FOLLOWING INFORMATION FROM ANY INSTRUMENT THAT TRANSFERS AN INTEREST IN REAL PROPERTY BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.

## FOURTH AMENDMENT OF OIL, GAS AND MINERAL LEASE

STATE OF TEXAS } KNOW ALL MEN BY THESE PRESENTS:  
COUNTY OF TARRANT }

This Fourth Amendment to that certain Oil, Gas and Mineral Lease dated November 15, 2006, recorded as Instrument No. D206374108, Deed Records, Tarrant County, Texas, on November 29, 2006 (the "Lease"), is dated November 23, 2010 (the "Amendment") by and between LUMINANT MINERAL DEVELOPMENT COMPANY, LLC, formerly known as TXU Mineral Development Company I, L.P., P.O. Box 681, Fairfield, Texas 75840 (the "Lessor"), and VARGAS ENERGY, LTD., 4200 South Hulen Street, Suite 614, Fort Worth, Texas 76109 ("Vargas").

Vargas owns the Lease insofar as it covers Tract Nos. 3 and 4 described in the Lease, and Vargas has previously assigned the Lease insofar as it covers the remaining tracts to XTO Energy, Inc. XTO Energy, Inc. and Lessor have entered into prior amendments to the Lease and this is the Fourth Amendment to the Lease. This amendment to the Lease affects only that portion of the Lease owned by Vargas and described as Tract 3 and Tract 4 in the Lease.

Vargas has drilled the Edwards 5-H Well on lands adjacent to the land covered by the Lease and has proposed to include a portion of the land covered by the Lease in a pooled unit for the Edwards 5-H Well, effective as of the date of first production from the well, provided Lessor agrees to amend the Lease as set forth below. In consideration of the benefits derived from the inclusion of a

portion of the land covered by the Lease in the unit for the Edwards 5-H Well and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the undersigned parties do hereby amend the Lease, only insofar as it covers Tract 3 and Tract 4, as follows:

1. The Primary Term of the Lease is hereby extended for a period of one year from the date hereof.

2. Paragraph 15 of Exhibit "B", pertaining to the pooling provision in the Lease is hereby amended by deleting the second sentence of such paragraph and replacing it with the following:

"Lessee may pool or unitize any Tract or Tracts or any portion of any Tract or Tracts with other acreage not covered by this Lease.

3. Paragraph 16 of Exhibit "B" is deleted in its entirety and replaced with the following:

"16. At the end of the Primary Term, (if this Lease is maintained in effect at the expiration of the Primary Term) Lessee must commence a continuous development program with respect to any Tract or portions thereof not included in pooled units as of such date. The term "continuous development program" means that not more than one year may elapse between the completion of one well and the commencement of drilling another well on any pooled unit including a tract (or a portion of a tract) covered hereby, until all of the lands covered by the Lease are included in pooled units. If

more than one year elapses between the completion of one well and the commencement of drilling another well on any pooled unit including a tract (or a portion of a tract) covered hereby, this Lease will terminate as to all lands covered by this Lease which are not then included in pooled units on which a producing well (or well capable of producing) exists. After a Tract or portion thereof is included in a pooled unit, the Tract or portion thereof included in a unit shall be considered subject to a separate Lease, containing terms and provisions identical to those set forth in this Lease. Each such separate lease may be kept in force and effect only by actual or constructive production or operations on the pooled unit in which such Tract or portion thereof is included, without regard to production or drilling operations on other pooled units in which other Tracts or portions thereof are included. Within 90 days after any partial termination of this Lease, Lessee shall execute and deliver to Lessor a recordable release of this Lease as to all lands, save and except the lands covered by this Lease as to which this Lease is preserved as set forth herein."

The intent of this Amendment is to allow for pooling of a portion or portions of tracts covered by the Lease and to provide that the continuous development provision of the Lease be revised as set forth above.

Lessor hereby adopts, ratifies and confirms the Lease as to all of the terms and provisions therein, as hereby amended, and Lessor does hereby grant, lease, let and demise unto Vargas, the lands covered by the Lease, in accordance with all of the terms and provisions of the Lease, as amended hereby.

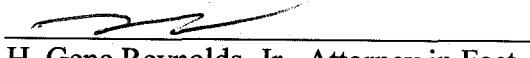
This instrument shall be binding upon and inure to the benefit of Lessor and Vargas, their respective successors, personal representatives, and assigns.

Except as herein amended, the Lease is and remains unchanged and in full force and effect as originally written.

IN WITNESS WHEREOF, the parties have caused this Fourth Amendment to Oil, Gas and Mineral Lease to be duly executed as of the day and year first written above, but shall be effective for all purposes as of the date of the Lease.

**LESSOR:**

LUMINANT MINERAL DEVELOPMENT COMPANY LLC,  
A Texas limited liability company

By:   
H. Gene Reynolds, Jr., Attorney in Fact

**VARGAS ENERGY, LTD.**

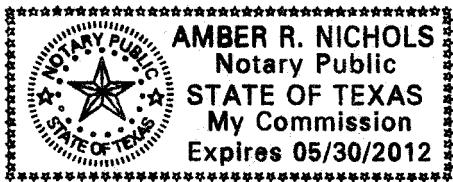
By Plover Production Company, LLC, its sole General Partner

By:   
Crawford Edwards, President

THE STATE OF TEXAS

COUNTY OF FREESTONE

This instrument was acknowledged before me on the 11<sup>th</sup>, day of December, 2010, by H. Gene Reynolds, Jr., Attorney-in-Fact of Luminant Mineral Development Company LLC, a Texas limited liability company, on behalf of said limited liability company.



Amber R. Nichols

Notary Public, State of Texas

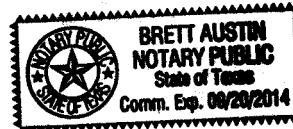
STATE OF TEXAS

COUNTY OF TARRANT

This instrument was acknowledged before me on the 12<sup>th</sup> day of December, 2010, by Crawford Edwards, President of Plover Production Company, LLC, sole General Partner of Vargas Energy, Ltd., a Texas limited partnership, on behalf of the partnership.

Brett Austin

Notary Public, State of Texas



Please Return to the Following Address AFTER Recording

Vargas Energy, LTD.  
4200 S. Huron, Suite 614  
FT. WORTH, TX 76109

SUZANNE HENDERSON

COUNTY CLERK



100 West Weatherford Fort Worth, TX 76196-0401

PHONE (817) 884-1195

VARGAS ENERGY  
4200 S HULEN, STE 614  
FT WORTH, TX 76109

Submitter: VARGAS ENERGY

**DO NOT DESTROY**  
**WARNING - THIS IS PART OF THE OFFICIAL RECORD.**

Filed For Registration: 12/17/2010 12:42  
PM

Instrument #: D210312206

LSE                    6                    PGS                    \$32.00

By: Suzanne Henderson

D210312206

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Prepared by: SLDAVES